

VZCZCXRO6094
PP RUEHDE RUEHDIR
DE RUEHKU #0621/01 1501442
ZNY CCCCC ZZH
P 291442Z MAY 08
FM AMEMBASSY KUWAIT
TO RUEHC/SECSTATE WASHDC PRIORITY 1575
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 1236
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 KUWAIT 000621

SIPDIS

NEA/ARP, NEA/I

E.O. 12958: DECL: 2018

TAGS: [PGOV](#) [PINR](#) [PREL](#) [KWMN](#) [KU](#)

SUBJECT: NEW GOK CABINET: GAINS FOR TRIBAL SALAFIS, SHI'A
ISLAMIST, WOMEN, LOW EXPECTATIONS FOR PROGRESS

REF: A. KUWAIT 577 B. KUWAIT 565 C. KUWAIT 411 D. KUWAIT 410 E. KUWAIT 320 F. KUWAIT 313 G. KUWAIT 307 H. 07 KUWAIT 430

Classified By: Ambassador Deborah K. Jones for reasons 1.4 b and d

1. (C) Summary and Comment: Prime Minister Shaykh Nasser Al-Mohammed Al Sabah announced May 28 the formation of a new Cabinet that included seven new ministers, five royal family members, one MP, two women, two Shi'a, one Islamic Constitutional Movement representative (ICM-Kuwaiti Muslim Brotherhood) and four tribally-linked Salafis. The new cabinet reflects the strong showing by tribal Islamists in the recent Parliamentary elections, and a clear effort to balance and co-opt all major "trends" in Kuwait's domestic politics. Few believe it will do much to ease the acrimonious Parliament-Government relationship. The PM appointed Islamist ministers to represent the four largest tribes, as well as a liberal female minister (and participant in the January 11 POTUS women's roundtable) and re-appointed another female minister and key ruling family members. He also appointed a hardline Shi'a minister whom Kuwaitis view as close to Hizbollah. Reactions to the Cabinet line-up are generally negative, with MPs describing it as "disappointing," "depressing" and one calling for an MP walkout during the June 1 inaugural session of the National Assembly. Despite the bleak outlook for short-term cooperation between the two bodies, the reshuffle is unlikely to affect significantly any key U.S.-Kuwait bilateral issues. End summary and comment.

New GOK Cabinet: Bleak Outlook

2. (C) Prime Minister Shaykh Nasser Al-Mohammed Al-Ahmed Al Sabah announced May 28 the formation of a new Cabinet that included seven new ministers, five ruling family members, one MP, two women, two Shi'a, one Islamic Constitutional Movement (ICM-Kuwaiti Muslim Brotherhood) and four tribally-linked Salafis. The new Cabinet members will be sworn in as ex-officio parliamentarians in the June 1 inaugural, or First Ordinary Session of the 12th Legislative Term of the National Assembly. This is the 25th Cabinet formed since 1962 and the 4th formed by PM Shaykh Nasser.

3. (C) The PM's challenge was to appoint a Cabinet that could move past the poisonous GOK-Parliament relationship of the recent years that has stalemated critical decisions, particularly on economic development. Few observers here think he succeeded. Reports that several qualified candidates turned down cabinet positions, unwilling to submit themselves to routine scathing attacks by MPs, reflect widely shared pessimism. In fact, the new cabinet came under fire from Parliamentarians within minutes of its announcement, and most Kuwaitis seem confident that Government-Parliament acrimony will continue as usual.

Concessions to Tribal Salafis, but no Capitulation

4. (C) The Prime Minister's appointments came after the May 17 National Assembly elections in which Islamists, particularly tribally linked Salafis and Shi'a hardliners, made gains, while liberals and even the well-organized but relatively moderate Muslim Brotherhood-linked Islamic Constitutional Movement (ICM) lost ground. Since the elections, Islamists and tribal representatives have pressed the PM to appoint a cabinet that reflects their greater strength. The PM did include four Salafi ministers, who also represent key Kuwaiti tribes. However, he angered Islamists with his appointment of female Minister Moudhi Al-Homoud, a vocal proponent of women's rights and a social liberal, and his retention of female Education Minister Nouriyah Al-Sabih, a lightning rod for Salafi critics (who see the Education Ministry as an Islamist birthright) in the previous government. Key ruling family members were retained in the most sensitive ministries.

Tribes Playing a Higher Profile Role

5. (C) Persistent Kuwaiti loyalties to tribes rather than more abstract notions of national unity have been especially irksome to the GOK and many liberal Kuwaitis in the run-up to the National Assembly elections. Many tribes conducted their own illegal primaries to choose representatives; and in the

Cabinet selection process, tribal representatives pressed the Amir and PM to stack the Cabinet in their favor. In response to the parliamentary election results that showed gains for tribally linked Salafis, the PM appointed ministers who hail from the four most prominent Kuwaiti tribes: Al-Mutairi, Al-Ajmi, Al-Azmi and Al-Rashidi. This represents both a recognition of the strong tribal showings in the parliamentary elections, and a strategy to counter the contentious relationship between government and parliament. Most observers here predict it will not be enough.

Reactions Generally Negative

16. (C) Published reactions to the new Cabinet were generally negative. An Alam Alyawm editorial stated that "Many hoped that the government would be a national salvation government but unfortunately it is a national frustration government." Other columnists quipped that, despite new faces in the Cabinet, the lack of political homogeneity and harmony ensures a continuation of the same confrontations and conflicts as seen in the past between the two authorities. Other remarks highlighted the inauspicious beginnings of the 12th legislative term of the National Assembly:

--MP Walid Tabtabaei was among several Islamist voices criticizing the re-appointment of PM Shaykh Nasser. He called for a PM capable of leading the country and combating corruption. He described the composition of the Cabinet as "disappointing," while others described it as "depressing."

--Shi'a MP Ahmad Lari (National Islamic Alliance-NIA, hard-line Shia) called for a government that reflected the composition of the parliament, echoing a similar call by Sunni MP Musallam Al-Barrack (independent conservative). Islamist MP Mohammed Hayef Al-Mutairi publicly objected to the appointment of any minister affiliated with "Hizbollah" (referring to Shia hardliners like Safar), and called for an MP boycott of the June 1 inaugural session.

--Pro-Government MP Fahad Al-Mai has already threatened a grilling of the Interior Minister for his clampdown on the "illegal tribal primaries."

--Prominent Shi'a Islamist MP Hassan Jowhar joined a chorus of tribal Salafis in denouncing reinstatement of Education Minister Nouriyah Al-Sabih--Jowhar, on grounds that she failed to address what he described as violations and shortcomings in the ministry, and the Salafis based on her refusal to embrace an "Islamic" dress code for women.

Awkward Cabinet Meetings?

17. (C) In an ironic twist, Shi'a hardliner and member of the National Islamic Alliance (NIA-Kuwaiti Hizbollah) and new Public Works Minister Fadhel Safar was detained in February, by order of the Interior Minister (his new colleague), for participation in the February 16 eulogy commemorating slain terrorist Imad Mughniyah. A text message circulating among Kuwaitis today summed up the ironies: "One of the funny things about our new cabinet is that the Minister of Interior imprisoned the Minister of Public Works; the Minister of Justice, when he was a judge, indicted the Minister of Health; and the Minister of State for Development failed the Minister of Social Affairs and Labor when he was a student."

Economic Reforms Unlikely

18. (C) While most of the key economic portfolios - Commerce and Industry, Oil, Social Affairs and Labor (important for combatting terror finance), Health, Housing, Communications, and Public Works - have changed, we do not foresee major changes in economic policy resulting from the new line-up. Unfortunately, given that the new cabinet does not in our view herald better relations between the executive and legislative branches, it is unlikely that the new roster will breathe new life into prospects for economic reform in Kuwait. The largely low-key Finance Minister, Mustafa al-Shemali, a rare technocrat minister, is the one significant holdover from the previous cabinet, which he joined in October 2007. Nevertheless, there are some interesting things to watch:

19. (C) New Minister of Commerce and Industry Ahmed Baqer, formerly Chairman of the Financial and Economic Affairs Committee in Parliament, though religiously conservative, is viewed by many as a reformist. Baqer was instrumental in getting a spate of economic reform legislation passed in December 2007. He has expressed publicly his support for reforms in major economic and commercial sectors. He has vowed to do away with the sole agent and distributor requirement for foreign companies and to crack down on monopolies. He has also talked about opening the Kuwaiti market to more imports, and plans to further subsidize basic food items. Despite Baqer's call for reforms, they may be slow in coming given the make-up of the new parliament.

110. (C) Oil and Electricity Minister Mohammed Al-Olaim, despite being an Islamist and formerly a politically aggressive MP, has performed more like a technocrat as Electricity Minister since March 2007, and Acting Oil Minister since June 2007. He has an engineering background and previously worked for Kuwait Oil Company. He is well respected by the oil sector managers at Kuwait Petroleum

Corporation, largely because he has been exceptionally hands-off, allowing KPC's management team to run the business without the usual unwelcome political interference. KPC has been able to launch a number of important and long-overdue projects and carry out significant corporate restructuring under Al-Olaim. He is supportive of plans to expand KPC's cooperation with international oil companies (IOCs), but the Parliament is likely to thwart any such plans. As Electricity Minister, he continues to fight a difficult battle to make new investments to expand Kuwait's insufficient power generating capacity, but a sclerotic and politicized public contracting system has largely tied his hands.

Composition of the New Cabinet

11. (C) No Change to Portfolios:

- Shaykh Nasser Mohammed Al-Ahmed Al Sabah, Prime Minister, Ruling family
- Shaykh Jaber Al-Mubarak Al-Hamad Al Sabah, First Deputy Prime Minister and Minister of Defense, Ruling family
- Shaykh Dr. Mohammed Sabah Al-Salem Al Sabah, Deputy Prime Minister and Minister of Foreign Affairs, Ruling family
- Jaber Al-Khaled Al-Jaber Al Sabah, Minister of Interior, Ruling family
- Sabah Al-Khaled Al Sabah, Minister of Information, Ruling family
- Faisal Mohammed Al-Hajji Bou Khaddour, Deputy Prime Minister and Minister of State for Cabinet Affairs (Liberal, Independent)
- Mustafa Jassim Al-Shemali, Minister of Finance (Liberal, Independent Shi'a)
- Mohammed Abdullah Al-Olaim, Minister of Oil and Minister of Electricity and Water (ICM, Al-Mutairi tribe)
- Nouriyah Al-Sabih, Minister of Education and Minister of Higher Education (Technocrat, Independent, Liberal)

New Ministers/Portfolios:

- Ali Mohammed Al-Barrak, Minister of Health (Al-Ajmi tribe)
- Moudhi Al-Homoud, Minister of Housing and Minister of Administrative Development (liberal, member of National Democratic Alliance, participant in January 11 POTUS women's roundtable)
- Bader Al-Duwaila, Minister of Social Affairs and Labor (Al-Rashidi tribe, Independent Islamist)
- Hussein Al-Huraiti, Minister of Justice and Minister of Awqaf and Islamic Affairs (Al-Azmi tribe, Independent Islamist, MP)
- Ahmed Abdullah Al Baqer, Minister of Commerce and Industry and Minister of State for National Assembly Affairs (Member of Salafi Islamic Grouping political association)
- Abdulrahman Al-Ghunaim, Minister of Communications (Independent, Pro-government)
- Fadhil Safar Ali Safar, Minister of Public Works and Minister of State for Municipal Affairs (Shi'a, National Islamic Alliance-NIA-Kuwaiti Hizbollah member)

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